

Defining the Housing Market Area Technical Paper for Tandridge District Council

September 2015

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1. Approach to Defining Housing Market Areas

- 1.1 The concept and use of housing market areas in strategic planning is well established, with a long recognition that housing markets do not operate based on administrative boundaries. The identification of spatial market boundaries is an important part of understanding the balance between supply and demand. This relates to housing preferences and affordability, and the strategic choices available for the location of new housing supply.

- 1.2 Planning Practice Guidance (PPG) provides a definition of housing market areas:

“A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap”¹

- 1.3 Available guidance and policy in the National Planning Policy Framework (NPPF) and PPG highlights the importance of understanding the operation of these geographies.

- 1.4 In order to understand housing needs in their area, the NPPF states that plan-makers should:

“Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”²

- 1.5 The NPPF establishes a requirement to address need and demand at both authority and housing market area level. Following the presumption in favour of sustainable development, the NPPF states that:

“Local planning authorities should positively seek opportunities to meet the development needs of their area”³

- 1.6 This underlines the importance of understanding housing needs within the local authority area in question, although – importantly – the operation of spatial housing market area geographies is recognised in paragraph 47, where there is an emphasis on boosting significantly the supply of housing. Local Plans are expected to meet:

“The full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period”⁴

¹ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_010 (Reference 2a-010-20140306)

² DCLG (2012) National Planning Policy Framework (para 159)

³ Ibid (para 14)

⁴ Ibid (para 47)

1.7 Understanding functional housing market areas is an essential prerequisite in ensuring that an objective assessment of housing need is set and interpreted within the correct context.

1.8 It is, however, noted within the PPG that housing evidence may be commissioned independently by local authorities, where there is variation in plan timescales:

“Where Local Plans are at different stages of production, local planning authorities can build upon the existing evidence base of partner local authorities in their housing market area but should co-ordinate future housing reviews so they take place at the same time”⁵

1.9 In such circumstances, it will be important for local authorities to work with relevant planning authorities where housing market area linkages have been identified in order to share and understand existing and emerging evidence, establishing implications for housing in the housing market area.

Guidance on Defining Housing Market Areas

1.10 The PPG sets out the key sources of information to be considered in assessing the definition of a housing market area:

- **Household migration and search patterns** – considering peoples movements provides an indication of housing search patterns, and the extent to which people move house within a specific geography. Importantly, the PPG states that the findings can identify areas within which a relatively high proportion of household moves – typically 70% – are contained⁶;
- **House prices and rates of change in house prices** – analysis of these leading indicators is intended to provide a market-based reflection of housing market area boundaries; and
- **Contextual data** – the guidance suggests that this could include commuting patterns, retail and school catchment areas. It is suggested that commuting can provide information about prevalent flows and the spatial structure of the labour market, which can influence household price and location. These contextual geographies can also provide information about the areas within which people move without changing other aspects of their lives, such as work or service use.

1.11 Further context can be provided by reviewing existing research undertaken in defining housing market areas, including evidence prepared by neighbouring authorities and historic national research commissioned by the Department for Communities and Local Government (DCLG).

1.12 This report is structured according to this guidance, assessing each indicator in turn and drawing upon these principle sources of information to explore housing market areas in

⁵ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/#paragraph_007 (Reference 2a-007-20150320)

⁶ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_011 (Reference 2a-011-20140306)

Tandridge. Key spatial relationships are also identified which should be taken into account by the Council in developing housing policy.

- 1.13 It is also important to note, however, that the PPG confirms that no single source of information will be comprehensive in identifying appropriate areas of assessment. Plan makers will therefore need to consider the usefulness of each source of information and approach for the specific area being examined.

2. Migration

- 2.1 Migration is identified as a key indicator in defining housing market areas, given that this reflects preferences and trade-offs made when households move home. This can highlight the extent to which people move house within an area.
- 2.2 This section provides an analysis of migration, drawing upon data from the 2011 Census which shows the movement of people in the year before the Census. This is the latest comprehensive available data. It determines the extent to which moves within Tandridge are self-contained, and also identifies the strength and direction of key migration flows to and from the district. It is, however, important to note that migration data is only available at local authority level, and it is therefore not possible to analyse up-to-date migration flows at a sub-authority scale.

Containment of Moves

- 2.3 The concept of containment of moves is central to the definition of housing market areas. 2011 Census data allows an assessment of the proportion of moves that are contained within Tandridge, and this shows the likelihood of people moving home to remain within the district. This is summarised in the following table, alongside other key destinations⁷ for people moving from Tandridge. The table only presents the largest flows, and it is therefore important to note that the authorities shown sum to cover only 66.2% of all moves. All other authorities, however, individually account for only a small proportion of moves from Tandridge, but in composite suggest that moves from Tandridge end in a wide range of destinations.

Figure 2.1: Containment of Moves 2010/11

Destination	% of moves from addresses in Tandridge
Tandridge	37.3%
Croydon	8.7%
Reigate and Banstead	7.2%
Mid Sussex	4.1%
Sevenoaks	2.1%
Bromley	1.7%
Crawley	1.7%
Wandsworth	1.4%
Lambeth	1.0%
Brighton and Hove	1.0%

Source: Census 2011

⁷ Ten main destinations for moves from Tandridge presented, based on size of flow

- 2.4 Relatively few moves are contained within Tandridge, with only around 37% of people moving from an address in the district during the year before the Census remaining within Tandridge. The evidence suggests that there are flows to Croydon and Reigate and Banstead in particular, with a slightly smaller flow to Mid Sussex.
- 2.5 This level of containment falls considerably below the threshold of 70% identified within the PPG as being indicative of a functioning housing market area. It is therefore beneficial to test levels of containment by grouping Tandridge with other authorities. An exercise has been undertaken to group Tandridge and authorities with which there are strong migration flows⁸ to establish the level of containment of moves within these geographies. This shows the proportion of all moves from different groups of authorities which are contained within any of the grouped authorities. Further authorities are then added sequentially to assess containment across a larger geographic area. Notably, this differs from the approach taken in Figure 1.1, which shows the proportion of moves from Tandridge only which are contained within different geographic areas.

Figure 2.2: Testing Containment of Moves 2010/11

Destination	% of moves from addresses in area contained
Tandridge	37.3%
As above with Croydon	55.3%
As above with Reigate and Banstead	56.6%
As above with Mid Sussex	57.3%
As above with Sevenoaks	55.9%
As above with Bromley	58.1%

Source: Census 2011

- 2.6 As shown, while the level of containment increases when considering larger areas, a considerable proportion of moves within these geographies are not contained within the area. None exceed the 70% threshold identified in the PPG, suggesting that if local authority geographies are used a much larger geography would need to be defined before this threshold could be met. It is possible that a higher level of containment could be achieved through the development of geographies which do not relate to local authority boundaries but this then raises a challenge for translating evidence into policy. It is also important to recognise as noted at the start of this section that the 2011 Census migration data is not available at a sub-authority level and therefore any such analysis would need to resort back to using 2001 Census data.
- 2.7 This shows the complexity of migration flows across this wider geography, presenting a challenge in defining self-contained housing market areas for the purposes of developing planning policy.

⁸ Authorities added following order presented in Figure 2.1, covering those with which there are strong migration relationships (largest five flows)

- 2.8 A similar calculation of containment can show the origin of people who moved to a new address in Tandridge during the year before the Census. This can show how much migration has originated from another area of the district, and is summarised below. Again, the ten largest flows are presented, and therefore the table does not cover all moves but shows the origin of 74.4% of all moves.

Figure 2.3: Origin of Moves 2010/11

Origin	% of moves to addresses in Tandridge
Tandridge	39.1%
Croydon	15.3%
Reigate and Banstead	5.9%
Mid Sussex	2.9%
Bromley	2.5%
Sutton	2.3%
Sevenoaks	2.3%
Wandsworth	1.9%
Crawley	1.1%
Lambeth	1.1%

Source: Census 2011

- 2.9 The analysis shows that around 39% of moves to addresses in Tandridge originated from within the district, with a significant proportion moving from Croydon. There was also a notable flow from Reigate and Banstead, with a smaller flow from Mid Sussex, Bromley and Sutton. There are also flows with other authorities not presented, although these account for only a small proportion of all moves (1% and lower).

Impact of London

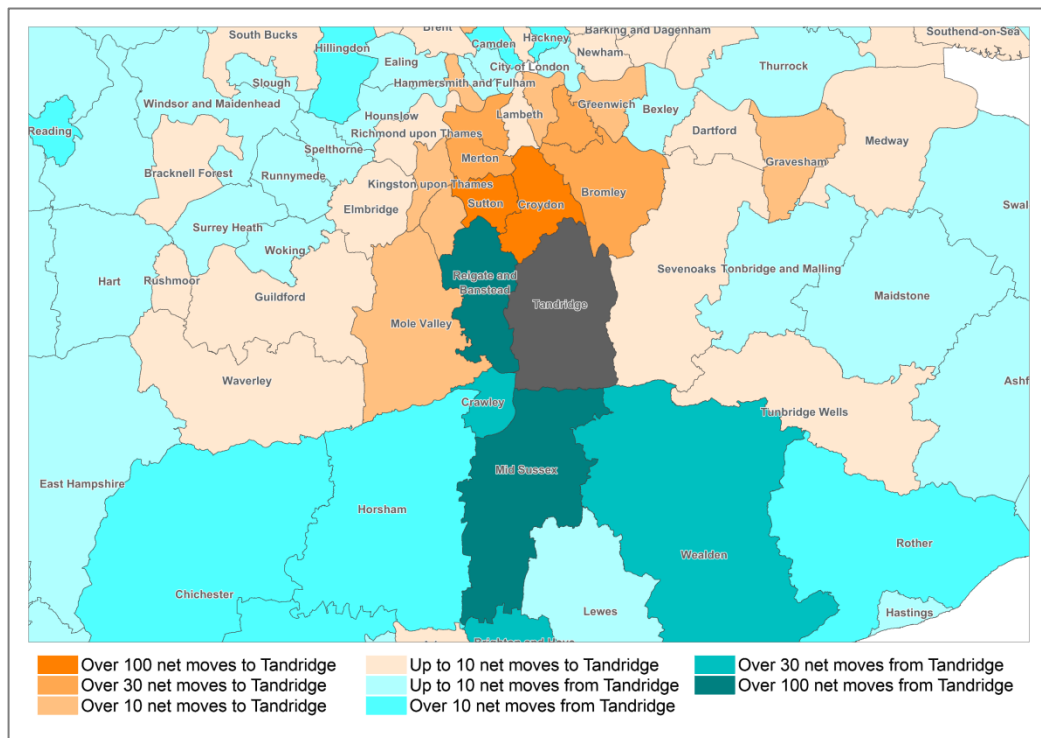
- 2.10 Evidently, there are low levels of containment in Tandridge, and it can be expected that some of these characteristics are due to the relationship with London, which is a significant driver of migration to Tandridge. Indeed, around 31% of moves to addresses in Tandridge originate from London, with a smaller proportion (19%) of migrants from Tandridge moving to London. This shows that there is a strong relationship with the London Boroughs – particularly in terms of inflows to Tandridge – with this likely to be driven by the district's proximity to London, most notably Croydon.
- 2.11 On this basis, it is likely that London is a key reason behind the lack of containment of moves in Tandridge. It is therefore beneficial to test the impacts of excluding moves from London, in order to determine the extent to which this drives low levels of containment in the district. This shows that – excluding London Boroughs – **56.5%** of moves to Tandridge originated within the district. This evidently increases the measure of containment quite significantly by around 17%, although this remains below the 70% threshold identified in the PPG.

- 2.12 Whilst it is clear that moves from London have a greater influence on migration flows in Tandridge, it is also beneficial to consider the impact of excluding moves to London from the district. Excluding London Boroughs, **46.2%** of people moving from an address in Tandridge during the year before the Census remained within the district. Again, whilst the exclusion of London suggests a higher level of containment within Tandridge, it continues to suggest that a low level which falls below the threshold in the PPG.

Migration Flows

- 2.13 Based on the analysis above, it is clear that there is a notably low level of containment of moves in Tandridge, based on both the origin and destination of migrants. The district therefore does not represent a self-contained geography based on migration, and it is therefore beneficial to consider key migration flows in further detail.
- 2.14 The following map illustrates the main net migration flows in Tandridge; with authorities receiving a net inflow from Tandridge shown in blue and authorities from which Tandridge receives a net inflow shown in orange. This is based on 2011 Census data.

Figure 2.4: Net Migration to and from Tandridge 2010/11



Source: Census 2011

- 2.15 There is a common spatial trend in districts surrounding London, where there is evidence of migration centrifugally from the capital. Tandridge similarly experiences these effects, with the largest net inflows generated by authorities to the north in London and the largest outflows towards districts further south. The inflows cover many London Boroughs – particularly Croydon and Sutton – and indeed, as the following table shows, there is a significant net inflow of migrants from London. Conversely, there are net outflows from Tandridge to many authorities to the south, with a considerable movement

of people from the district to Sussex. There is also a strong net flow to Reigate and Banstead to the west.

Figure 2.5: Net Migration to and from Tandridge 2010/11

Net flow to Tandridge	Total	Net flow from Tandridge	Total
Croydon	443	Reigate and Banstead	-122
Sutton	111	Mid Sussex	-101
Bromley	47	Crawley	-47
Lewisham	36	Wealden	-37
Wandsworth	33	Coventry	-33
Merton	30	Portsmouth	-33
Kingston upon Thames	25	Brighton and Hove	-31
Southwark	20	Canterbury	-27
Greenwich	17	Horsham	-26
Mole Valley	17	Tunbridge Wells	-25

Source: Census 2011

- 2.16 A further understanding can be gained by calculating gross migration flows, which shows the strength of the relationship between authorities through the sum of both in and outflows. The following table shows the authorities with which Tandridge shares the strongest gross migration flow, continuing to highlight the strong relationship with Croydon and Reigate and Banstead in particular.

Figure 2.6: Gross Migration Flows 2010/11

	Gross flow with Tandridge
Croydon	1,743
Reigate and Banstead	960
Mid Sussex	509
Sevenoaks	319
Bromley	303
Wandsworth	239
Sutton	223
Crawley	205
Lambeth	149
Mole Valley	137

Source: Census 2011

- 2.17 It is, however, important to note that this can be distorted by areas with a higher population. Therefore, migration figures can also be viewed in the context of the population of the combined local authorities – the sum of the population of Tandridge and other specified local authority areas – based on 2011 Census data. This standardises migration flows, and enables a more detailed analysis of trends by calculating the number of moves per 1,000 residents. Gross migration flows – both total and standardised – are presented in the following table.

Figure 2.7: Gross Migration Flows 2010/11

	Gross flow with Tandridge	Combined population (2011)	Flow per 1,000
Reigate and Banstead	960	220,833	4.3
Croydon	1,743	446,376	3.9
Mid Sussex	509	222,858	2.3
Sevenoaks	319	197,891	1.6
Crawley	205	189,595	1.1
Sutton	223	273,144	0.8
Mole Valley	137	168,373	0.8
Bromley	303	392,390	0.8
Wandsworth	239	389,993	0.6
Horsham	114	214,299	0.5

Source: Census 2011

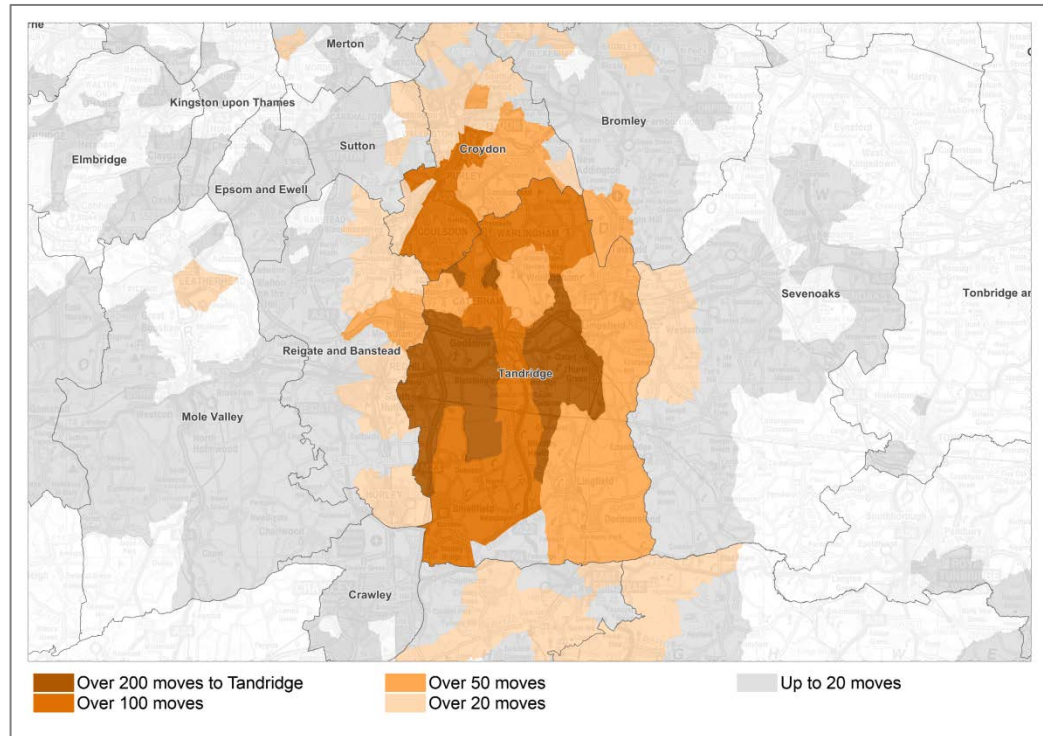
- 2.18 Based on this measure, Tandridge shares the strongest relationship with Reigate and Banstead, although again this highlights the strength of the connection with Croydon and Mid Sussex. This approach does, however, remain focused on Tandridge, and it may be that other authorities share stronger links with elsewhere. Nevertheless, combined with population projections, these ratios can assist in understanding where the largest flows of moves may occur in the future; all things being equal, a significant change in the population in any one of these boroughs could, in time, lead to a knock on effect on the level of housing need in Tandridge.

Local Level Migration

- 2.19 As noted earlier in this section, only local authority level migration data from the 2011 Census has been published, with sub-local authority data safeguarded and not available for this study. This differs from the previous 2001 Census datasets, when local level migration data was available for public use.
- 2.20 It is therefore challenging to understand migration at a lower geographical level. However, to provide this context, data from the 2001 Census can be analysed. While this is now outdated, it nevertheless continues to represent the most up-to-date local level data source on migration.

- 2.21 The following plan shows wards where a high number of migrants originated when they moved to Tandridge in the year before the 2001 Census.

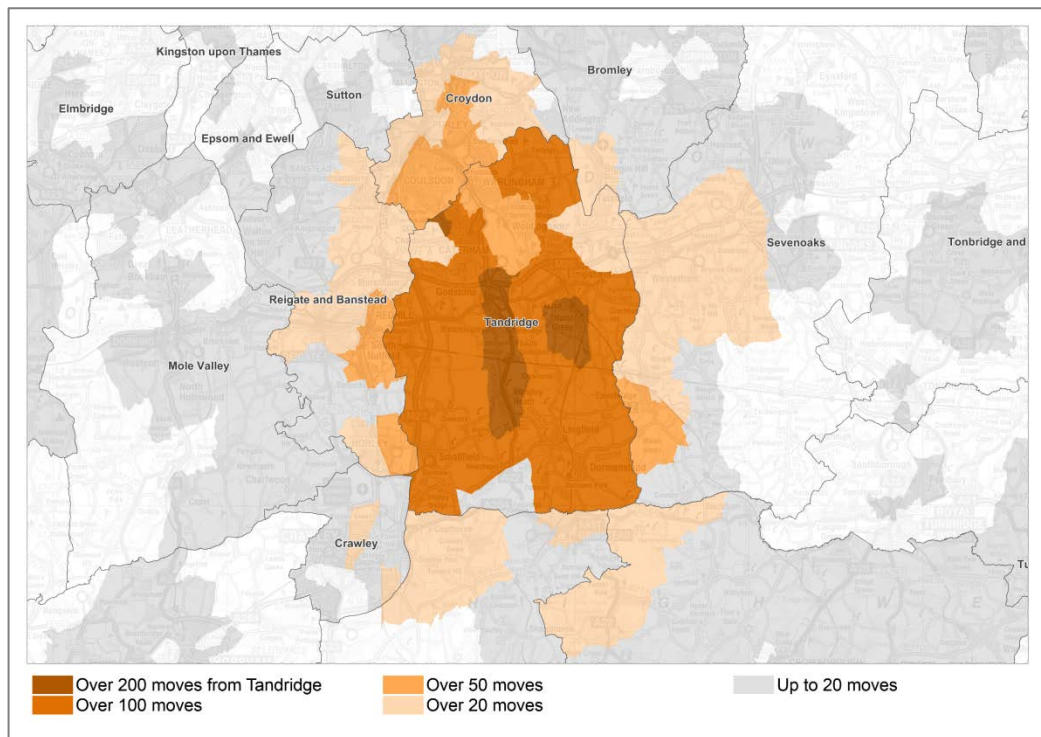
Figure 2.8: Origin of Moves to Tandridge 2000/01



Source: Census 2001; Turley, 2015

- 2.22 Evidently, a substantial number of moves to addresses in Tandridge originated from within the district, although there are important spatial relationships with other areas. For example, there was a notable flow to Tandridge from southern Croydon – covering the wider settlements of Coulsdon and Purley – and a further flow of migrants from Merstham in Reigate and Banstead. There were also flows from the south, although these were typically slightly smaller in scale. At its largest spatial level, the HMA for Tandridge would stretch from London down to the South Coast, taking in parts of the capital, Sussex, Surrey and Kent.
- 2.23 A similar assessment can show the destination of people moving from addresses in Tandridge during the year before the 2001 Census. This is presented below, where a similar pattern is emergent. While the relationship with Croydon is broadly weaker than implied in Figure 2.8, it remains comparatively high in the context of other neighbouring areas. There also continue to be migration relationships with areas in adjoining authorities that are relatively close to the district boundary, although there are also large areas – particularly to the south – where a small number of migrants have moved from Tandridge. These areas are shaded in grey in the following plan.

Figure 2.9: Destination of Moves from Tandridge 2000/01



Source: Census 2001; Turley, 2015

- 2.24 As noted above, it is important to reemphasise that this dataset is now relatively dated, and could be influenced by specific local circumstances at the time. While providing valuable local context, therefore, this needs to be considered in the context of the different market conditions and characteristics of 2001 compared to today.

Summary and Implications

- 2.25 Migration is an important indicator in defining housing market areas, with the PPG suggesting that geographies within which over 70% of moves are contained could be considered to function as housing market areas.
- 2.26 An analysis of 2011 Census data, however, shows that Tandridge is characterised by much lower levels of containment, with only 37% of people moving from an address in Tandridge during the year before the Census remaining within the district. Similarly, only around 39% of people moving to an address in Tandridge originated from within the district.
- 2.27 These are evidently comparably low, and further analysis shows that the latter in particular is influenced by moves from London. Excluding moves from London, 56.5% of other moves to addresses in Tandridge originated from within the district. This does, however, continue to fall below the threshold set out in the PPG, suggesting that there are further important spatial relationships which need to be considered by the Council.
- 2.28 It is important to note that even expanding the geography of assessment – based on those authorities with which Tandridge shares its strongest migration connections – fails

to reach the 70% threshold identified in the PPG. This suggests that a much larger geography would need to be defined before this threshold could be met, highlighting the complexity of migration flows in the surrounding area and the difficulty associated with achieving containment of this scale.

- 2.29 The evidence in this chapter does, however, go on to identify authorities with which Tandridge shares strongest links. This highlights a common spatial trend for authorities neighbouring the capital, whereby there is a net inflow of migrants from authorities to the north – particularly Croydon and Sutton, and other London Boroughs – and general net outflows to Reigate and Banstead and authorities to the south.
- 2.30 While this shows the direction of flow, it is also beneficial to quantify the overall scale of migration in either direction, given that this can provide information on the strength of relationship between different areas. This continues to highlight the strong relationship with Croydon, Reigate and Banstead and Mid Sussex in particular, even when migration flows are standardised to reflect population variation. Clearly, therefore, there are a number of important spatial relationships with these neighbouring authorities.
- 2.31 It is also beneficial to consider migration relationships at sub-authority level, although this is challenging given that 2011 Census data has not been released at this scale. Reverting to 2001 Census data does, however, show connections with areas of adjacent authorities which are close to the local authority boundary. This includes notable flows from Coulsdon and Purley in Croydon and Merstham in Reigate and Banstead, while moves from the district are generally to a wider range of destinations especially in proximity to London.

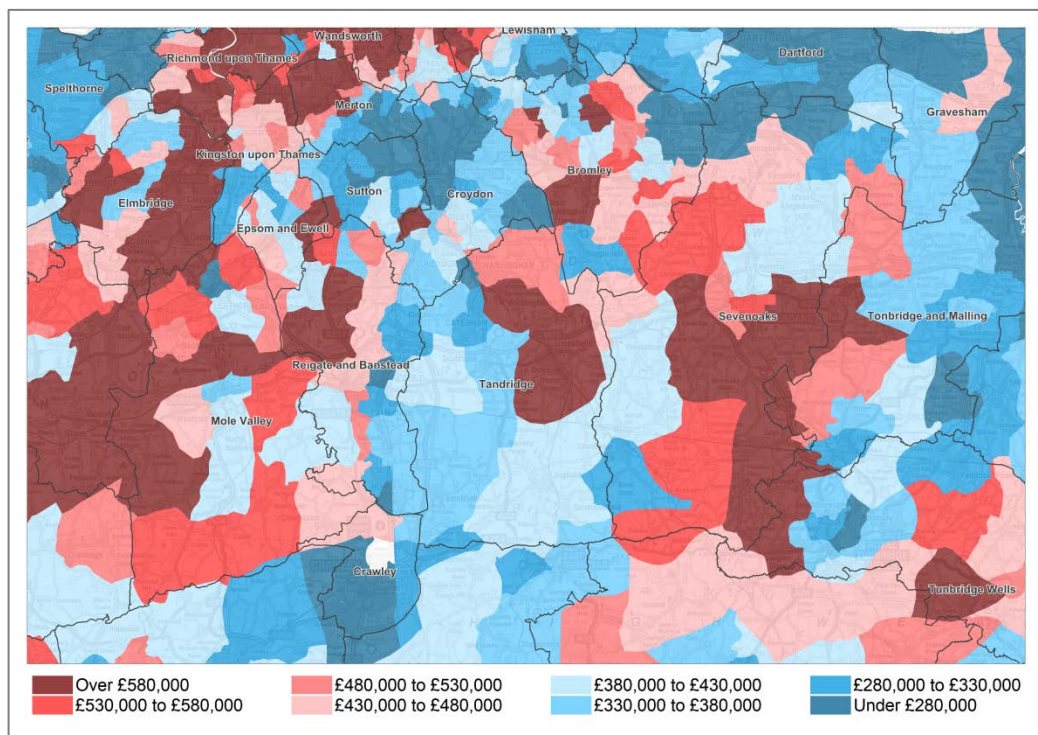
3. House Prices

- 3.1 The PPG suggests that house prices should be analysed with reference to understanding housing market geographies. This recognises that house prices – which reflect the outcomes of supply and demand in the market – can be used to identify patterns in the relationship between housing demand and supply across different locations. An analysis of house prices therefore provides a market based reflection of housing market area geographies, allowing the identification of areas with clearly different price levels to surrounding areas.

Average Price Paid

- 3.2 House sales are recorded by Land Registry at postcode level, allowing a detailed assessment of house price variation at sub-authority level. The following plan shows average house prices in Tandridge based on sales during the calendar year of 2014, broken down by postcode sector averages. This is presented to illustrate variance from the average house price of approximately £430,000 in Tandridge over this calendar year⁹.

Figure 3.1: Average Price Paid by Postcode Sector 2014



Source: Land Registry, 2014; Turley, 2015

- 3.3 There is evidently variation in house prices both within Tandridge and across the wider south east. The district can be seen to operate within two HMAs based on house prices. Oxted, Woldingham, Limpsfield and Warlingham are characterised by higher values –

⁹ Average price paid – £428,012 (Land Registry)

comfortably exceeding the average for the district as a whole – while other areas have seen lower average prices. Values in Caterham, for example, are relatively similar to nearby Coulsdon (Croydon) and Merstham (Reigate and Banstead), while there is some commonality in average values to the south of Tandridge into Mid Sussex. There is also some overlap with Sevenoaks, although this area has seen very high house prices in the east. There is, overall, some broad continuity in values in adjoining areas, with some notable exceptions as detailed above. House prices also broadly reflect the main concentrations of settlement and transport routes.

Change in Average House Prices

- 3.4 The PPG suggests that the rate of change in house prices can provide a further indication of the operation of the housing market, given that this can identify patterns in the relationship between supply and demand and establish market 'hotspots'.
- 3.5 Data is published by DCLG to understand how mean house prices have changed historically. The following table compares the rate of change in mean house prices in Tandridge with adjacent authorities. This is sorted by the total rate of change between 1996 and 2012.

Figure 3.2: Change in Average House Prices 1996 – 2012

	1996	2007	2012	% Change		
				96 – 12	96 – 07	07 – 12
Sevenoaks	£115,347	£363,328	£404,997	251%	215%	11%
Croydon	£75,671	£248,198	£262,695	247%	228%	6%
Bromley	£97,672	£316,593	£333,145	241%	224%	5%
Mid Sussex	£88,872	£289,701	£297,578	235%	226%	3%
Reigate & Banstead	£107,321	£322,031	£342,223	219%	200%	6%
Wealden	£94,471	£282,406	£294,926	212%	199%	4%
Tandridge	£119,855	£341,846	£370,928	209%	185%	9%
Crawley	£71,101	£211,764	£207,985	193%	198%	-2%

Source: DCLG, 2015

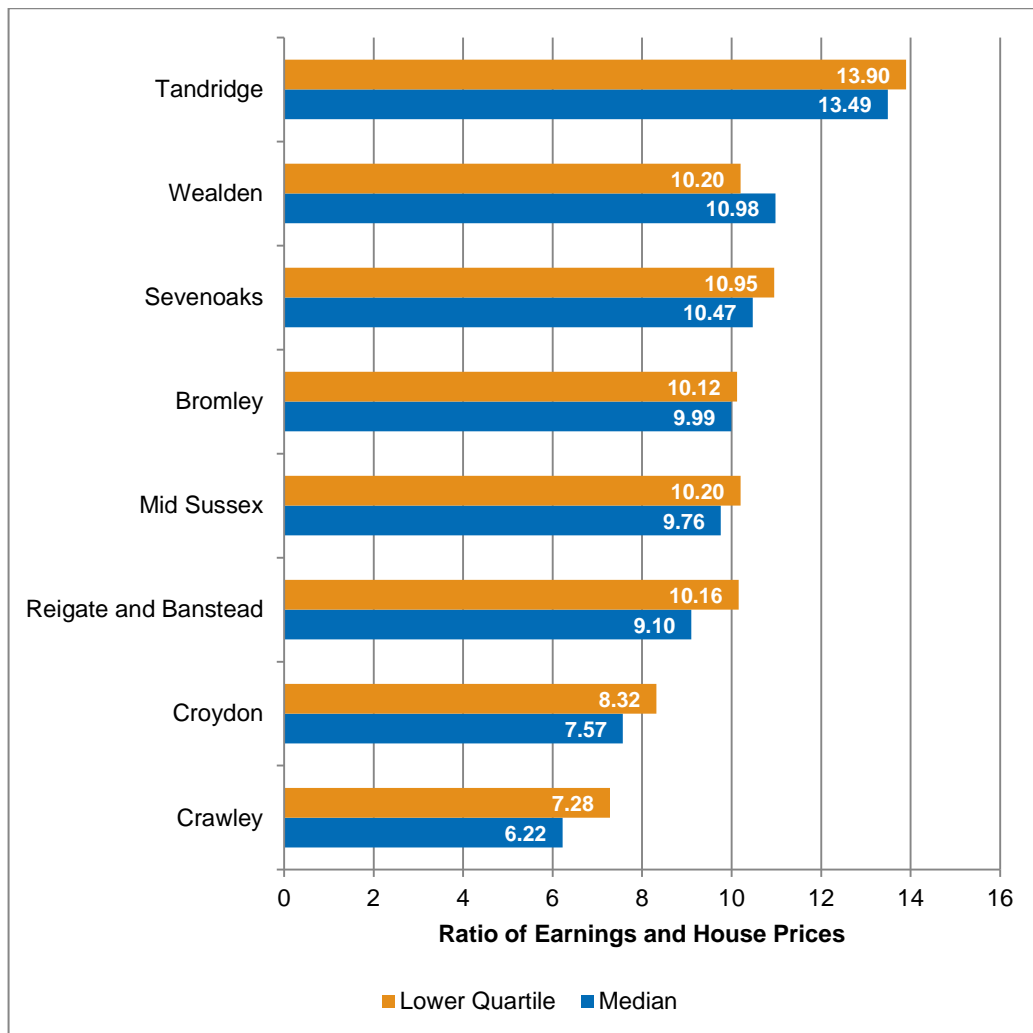
- 3.6 In 2012, this evidence suggests that average house prices in Tandridge were higher than many neighbouring areas, with the exception of Sevenoaks. This followed a period of significant price growth over the preceding 12 years which did, however, fall below the growth seen in most surrounding areas, with the exception of Crawley. These authorities were, though, growing from a lower base, with Tandridge seeing notably high average house prices in 1996 which flowed through to 2012.
- 3.7 Since the recession, Tandridge has seen a recovery in average house prices, with values in 2012 exceeding the pre-recession peak by 9%. This is a notably strong recovery, which is second only to Sevenoaks in the immediately surrounding area.

- 3.8 This analysis does not provide a conclusive picture of market definition, given that different areas have seen different rates of growth with different authorities growing from different starting positions. Based on longer term and pre-recession growth, Tandridge has some similarity with the rate of growth seen in Wealden and – to a lesser extent – Crawley. However, values in Tandridge have consistently been higher on average than in these neighbouring areas, and the growth seen in Tandridge since the recession has outperformed these areas, giving greater alignment with Sevenoaks in price and growth terms.

Affordability

- 3.9 Though not explicitly identified in the methodology for defining housing market areas, affordability provides important additional context on the operation of the housing market. This also provides a measure of standardising house prices, given that this can show the price that people pay for housing relative to their earnings.
- 3.10 The following chart shows the ratio between house prices and earnings in 2013, drawn from DCLG live tables. Both median and lower quartile ratios are presented, in order to highlight variation at the lower end and midpoint of the market.

Figure 3.3: Affordability Ratios 2013



Source: DCLG, 2015

- 3.11 This measure suggests that Tandridge is considerably less affordable than surrounding areas, with households – both in the middle and lower end of the market – required to spend in excess of 13 years’ earnings on the cost of purchasing a home. This exceeds a clustering of authorities where households are required to spend around 10 years’ income, although values in these areas are typically slightly lower than in Tandridge. Sevenoaks is an exception, however, suggesting that earnings in Sevenoaks are higher, reducing the effect of higher house prices on affordability.

Summary and Implications

- 3.12 House prices provide a market-based reflection of the operating housing market, illustrating the spatial relationship between supply and demand and identifying areas of commonality and difference in house prices.
- 3.13 As in many functional housing markets, there are different price levels both within Tandridge and across the wider south east, reflecting the availability of property at different prices and enabling the movement of households along the housing ladder.

Within Tandridge, the settlements of Oxted, Woldingham, Limpsfield and Warlingham are characterised by higher values and areas of commonality with Bromley and Sevenoaks, while Caterham shares some similarity with values in nearby Coulsdon (Croydon) and Merstham (Reigate and Banstead). Overall, however, there is generally some broad continuity in values compared to areas immediately adjoining Tandridge, suggesting some overlap with neighbouring areas.

- 3.14 The rate of change is also important to consider, although this does not provide a conclusive basis for market definition. Tandridge did not see as significant a growth in prices prior to the recession as many neighbouring authorities, but did start from a higher base given the historically high house prices in the district. There has, however, been a strong recovery from the recession, with values now 9% higher than their pre-recession peak. This rate of growth exceeds all neighbouring authorities, with the exception of Sevenoaks.
- 3.15 Affordability measures are a means of standardising house prices by showing average prices relative to income, at both the lower end and middle of the market. As with all neighbouring authorities, there is a divergent relationship between income and house prices in Tandridge, although it is evident that affordability ratios are particularly high in the district.

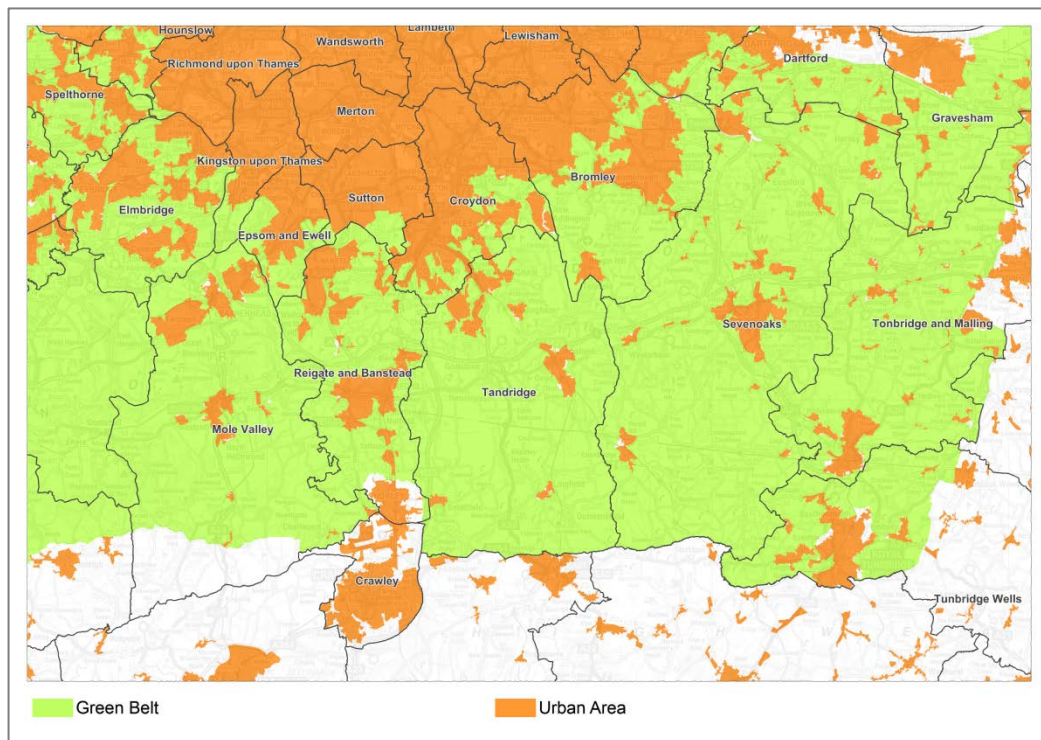
4. Contextual Data

- 4.1 The PPG highlights the importance of establishing a wider spatial context when defining housing market areas, through consideration of other spatial indicators beyond those identified in the PPG.

Urban Form

- 4.2 The nature and urban form of Tandridge provides important spatial context, with the following plan illustrating that much of the district is classified as Green Belt land albeit with some smaller urban areas¹⁰.

Figure 4.1: Urban Area and Green Belt



Source: Pitney Bowes, 2015; Turley, 2015

- 4.3 Given the radial nature of Green Belt around London, this results in a broadly continuous rural area across various local authorities. This explains some of the commonality seen across this area, particularly between rural areas, with development concentrated in main settlements with only lower density development occurring in the Green Belt. While Tandridge contains the largest concentration of Green Belt land in the country, this also covers neighbouring authorities – most notably Reigate and Banstead and Sevenoaks – and extends north into Croydon. This results in a similar rural character across both sides of the local authority boundary.

¹⁰ As classified by Pitney Bowes

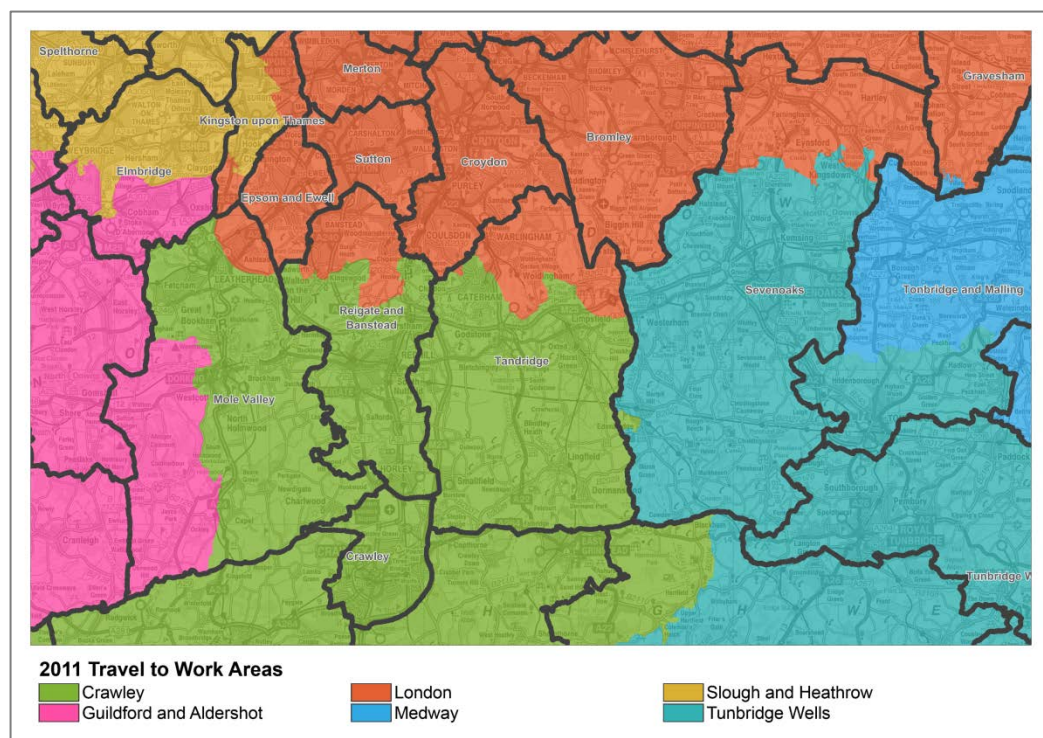
Commuting

- 4.4 The PPG notes that travel to work areas (TTWA) can provide information about commuting flows and the spatial structure of the labour market. This is an official ONS dataset, released to reflect areas where the bulk of the resident population also work within the same area.
- 4.5 2011 TTWAs were defined in August 2015, based on data from the 2011 Census, with the methodology document outlining the approach taken:

“The current criteria for defining TTWAs is that at least 75% of the area’s resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have an economically active population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted as part of a limited ‘trade-off’ between workforce size and level of self-containment”¹¹

- 4.6 As shown in the following plan, Tandridge is largely covered by the Crawley TTWA, although the London TTWA also covers areas to the north of the district – primarily Warlingham and Woldingham – suggesting a strong economic link to London particularly for these more proximate and connected areas.

Figure 4.2: Travel to Work Areas 2011



Source: ONS, 2015

¹¹ ONS (2015) Overview of 2011 Travel to Work Areas

- 4.7 It is also beneficial to analyse commuting patterns focusing on those living and working in Tandridge, in order to identify key functional economic linkages with other areas. Again, this can be drawn from 2011 Census data, and the following table shows the main places of work for employed usual residents of Tandridge. This shows the containment of labour within the district, and highlights any important functional relationships with other authorities. It is important to note that only the largest commuting flows are presented, and therefore the table does not cover all working residents in Tandridge.

Figure 4.3: Place of Work for Residents of Tandridge 2011

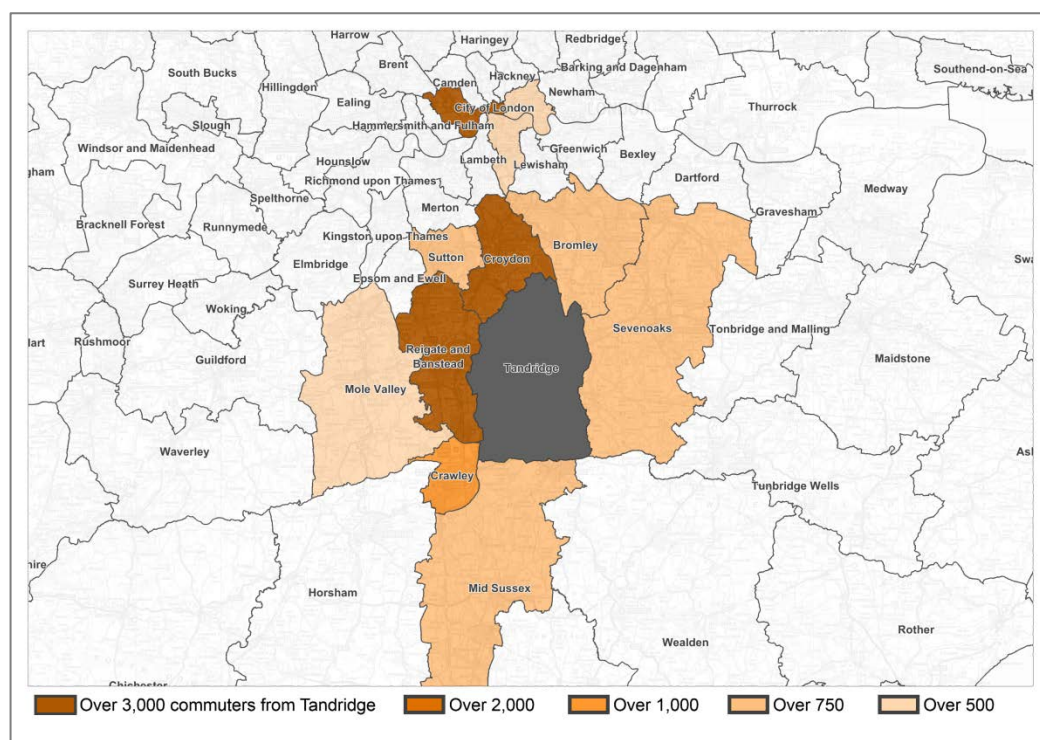
	Total	% of labour force
Tandridge	8,969	28.4%
Reigate and Banstead	3,537	11.2%
Croydon	3,321	10.5%
Westminster and City of London	3,159	10.0%
Crawley	1,492	4.7%
Mid Sussex	940	3.0%
Sevenoaks	851	2.7%
Sutton	813	2.6%
Bromley	779	2.5%
Mole Valley	574	1.8%

Source: Census 2011

- 4.8 8,969 people live and work in Tandridge, with this representing 28.4% of all employed residents in the district. Evidently, this implies that a high proportion of residents commute out of Tandridge to work (71.6%), with a flow of around 3,500 commuters to Reigate and Banstead. There is also an important relationship with Greater London, with a total of 12,478 residents commuting to work in the capital¹². This represents around 40% of all usual residents in employment – highlighting the importance of London as a place of work for residents of Tandridge – although, beyond those authorities listed below, the individual flows account for less than 1.8% of the district's labour force and are therefore comparatively minor. There are also flows to Crawley, Mid Sussex and Sevenoaks, although again these are generally smaller in scale (below 5%).
- 4.9 These flows are illustrated in the following plan.

¹² This figure is based on all London Boroughs, including those not presented in Figure 4.3

Figure 4.4: Place of Work for Residents of Tandridge 2011



Source: Turley, 2015; Census 2011

- 4.10 Understanding the origins of people commuting to Tandridge also provides valuable context on the operation of the labour market. The following table shows the proportion of people who work in Tandridge that also live in the district, with other origins for commuters also presented.

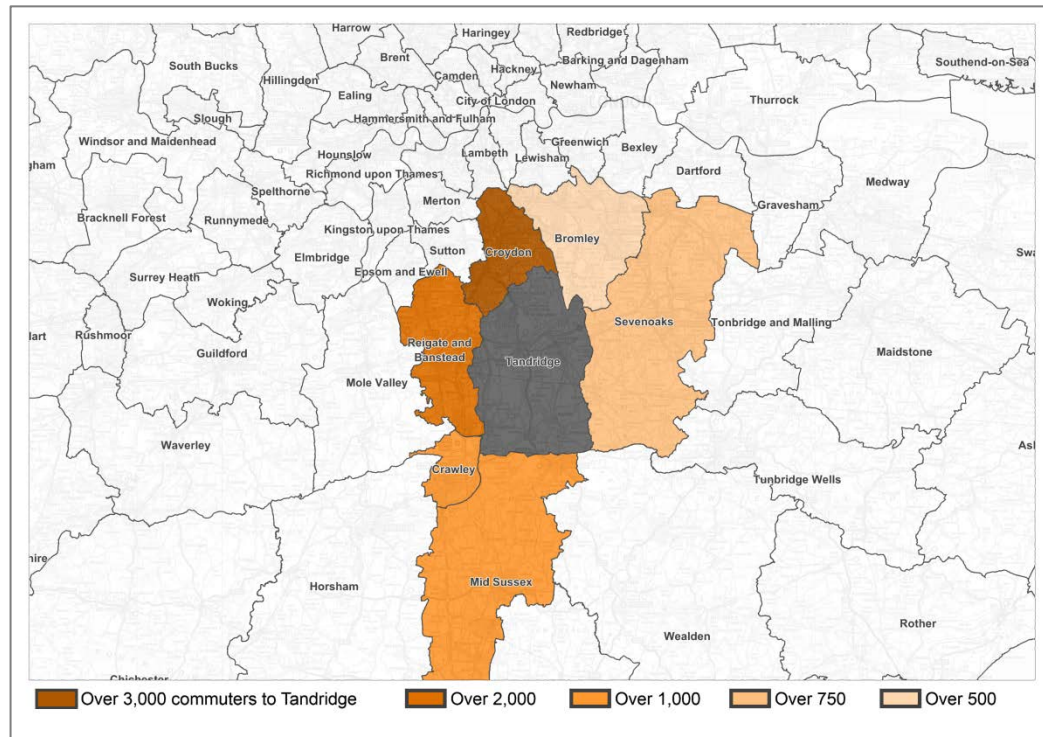
Figure 4.5: Place of Residence for Workers in Tandridge 2011

	Total	% of work force
Tandridge	8,969	39.1%
Croydon	3,009	13.1%
Reigate and Banstead	2,111	9.2%
Mid Sussex	1,834	8.0%
Crawley	1,008	4.4%
Sevenoaks	819	3.6%
Bromley	581	2.5%
Wealden	431	1.9%
Sutton	401	1.7%
Horsham	290	1.3%

Source: Census 2011

- 4.11 The 8,969 people who live and work in Tandridge form around 39% of all people who work in the district, again representing a relatively low level of containment. This suggests that the workforce of Tandridge contains a number of residents from other authorities, most notably Croydon, Reigate and Banstead and Mid Sussex. In composite, around 70% of workers live in either Tandridge or one of these authorities.
- 4.12 This is further illustrated in the following plan.

Figure 4.6: Place of Residence for Workers in Tandridge 2011



Source: Turley, 2015; Census 2011

Impact of London

- 4.13 As with migration, it can be expected that low levels of labour and workforce containment are due to the strength of the relationship with London, and the substantial economic role that the city plays. Again, therefore, it is beneficial to test the effects of excluding London from the analysis.
- 4.14 Focusing first on residents of Tandridge, the evidence suggests that **47.1%** of all employed residents who do not commute to London work within Tandridge. While this uplifts the level of containment, it remains clear that there are important functional linkages with areas other than London, with over half of these residents commuting elsewhere to work in authorities such as Reigate and Banstead and Crawley.
- 4.15 Excluding London residents commuting to work in Tandridge suggests that **49.8%** of the remaining workforce live in the district, again highlighting the important role of residents in the wider area in supporting the local economy in Tandridge.

Summary and Implications

- 4.16 With the PPG highlighting the importance of establishing further spatial context in defining housing market areas, this section has considered additional indicators to understand how the housing market area may function.
- 4.17 The classification of much of Tandridge as Green Belt land, for example, results in a broadly continuous rural area across various local authorities to the south of London, resulting in some similarities between different local authorities. Moves within this more rural area – or commonality of house prices – may span local authority boundaries, particularly due to the radial nature of the Green Belt.
- 4.18 Commuting trends are also identified within the PPG, and the Census shows that a high proportion of Tandridge residents commute out of the district to work elsewhere. There is an important flow to Reigate and Banstead, as well as smaller flows to Crawley, Mid Sussex and Sevenoaks. London (in particular Croydon and the City of London) plays an important role as a place of work, and indeed more employed residents work in London (40%) than Tandridge (28%). The relationship with London is likely to be a key reason behind the lower levels of containment seen in Tandridge, although – even excluding those who commute to London – only 47% of all remaining residents work within the district. This highlights the importance of other functional linkages, as well as London.
- 4.19 Around 9,000 people live and work in Tandridge, and this represents around 39% of all people working in the district. The workforce of Tandridge therefore contains a number of residents from other authorities, most notably Croydon, Reigate and Banstead and Mid Sussex.

5. Existing Research

- 5.1 While this report has analysed and reviewed the latest available data to present an up-to-date assessment of spatial dynamics in Tandridge, it is also important to be aware of existing research undertaken to define housing market areas in the area. This includes evidence prepared by surrounding authorities and also national research, as detailed in this section.

Neighbouring Authorities

- 5.2 A review of the housing evidence prepared by neighbouring authorities has been undertaken, in order to obtain the latest evidenced position and identify instances where housing market area geographies may overlap into Tandridge. This has been supplemented by telephone conversations with the neighbouring authorities to discuss the evidence in further detail and understand the latest position¹³.

Bromley

- 5.3 The emerging housing requirement in Bromley is based on the London Plan, following consultation on Draft Policies and Designations in 2014. This consultation did note, however, that further London-wide evidence was being prepared, implying that a revised housing target for the borough could be expected in 2015/16. This is considered separately later in this section.

- 5.4 A SHMA was published in June 2014 which covered the South East London boroughs of Bexley, Bromley, Greenwich, Lewisham and Southwark. This report included a review of housing market area indicators, but suggested that the thresholds for self-containment cited in the PPG are not appropriate in London. This is due to the variety of economic focal points, longer commuting distances and the complexity of the public transport network. The scope of this study was therefore based on previously established linkages – as identified in the previous SHMA – although the boroughs were expected to take account of key linkages with other local authorities through their respective plan-making processes.

Crawley

- 5.5 Crawley forms part of the wider Northern West Sussex housing market area, which also includes Horsham and Mid Sussex. This area was originally identified and defined in regional work undertaken in 2004 by DTZ Pida¹⁴, and represents part of a wider Crawley-Gatwick sub-regional housing market.
- 5.6 Studies have been undertaken by GVA Grimley at wider housing market area level in 2009 and 2012, with the original study containing the majority of housing market area analysis. A further study – published in October 2014¹⁵ – calculated the need for affordable housing, and reviewed the housing market area definition based on new data from the 2011 Census. This concluded that the Northern West Sussex housing market area continues to represent the main area that Crawley, Horsham and Mid Sussex

¹³ At the time of writing it had not been possible to speak with LB Bromley

¹⁴ DTZ Pida (2004) Identifying the Local Housing Markets of South East England

¹⁵ Chilmark Consulting (2014) Affordable Housing Needs Model Update

should plan for. There are some linkages with Tandridge – primarily economic, as part of the wider Gatwick Diamond area – although it was felt that there are limited migration flows. The M23 and Gatwick Airport were also considered to represent a functional boundary between the urban area of Crawley and the more rural character of adjoining Tandridge.

- 5.7 Further evidence¹⁶ has been prepared by Crawley to objectively assess the need for housing in Crawley only. This study was not intended to be a full assessment of housing and employment development needs, but instead focuses on specific housing and employment land matters in Crawley to support the ongoing Examination in Public. The Council are currently consulting on modifications followed the Examination, but the Council feel that the housing evidence was not contested by the Inspector. As such, no further work is planned, although it is noted that the authorities will continue to work together where necessary in the future.

Croydon

- 5.8 GL Hearn is currently preparing a new SHMA for Croydon, which is expected to be published later this year as part of a wider consultation on the Local Plan. The SHMA is focusing on the borough of Croydon in isolation. While links with Tandridge were recognised in the HMA analysis, these were considered only negligible in the context of links to other authorities. The differing timescales for completing SHMAs also meant that it was not realistic to produce a joint assessment.

Mid Sussex

- 5.9 Like Crawley, Mid Sussex forms part of the wider Northern West Sussex housing market area, for which evidence has been prepared by GVA Grimley. However, a more recent Housing and Economic Development Needs Assessment¹⁷ was published by the Council earlier this year, with an update report published in June 2015 to take account of the latest household projections. This considers housing need in the local authority area of Mid Sussex only, but also presents evidence to support the definition of the Northern West Sussex housing market area.
- 5.10 A position paper has been prepared – and is regularly updated – by the Councils in the Northern West Sussex housing market area in order to bring evidence together at a housing market area level. It is considered that the housing market area definition remains robust, and there are no current plans to commission any additional work at housing market area level.
- 5.11 The Council noted that there was some overlap with other housing market areas, and a Housing Provision Paper¹⁸ has therefore been prepared by the Council to consider relationships with other areas. This suggests that there are only moderate links between the two authorities, based on analysis of commuting and migration, with Mid Sussex sharing stronger relationships with elsewhere.

¹⁶ Chilmark Consulting (2015) Objective Assessment of Crawley's Housing and Employment Needs

¹⁷ Mid Sussex District Council (2015) Housing and Economic Development Needs Assessment

¹⁸ Mid Sussex District Council (2015) Housing Provision Paper

Reigate and Banstead

- 5.12 Reigate and Banstead is included by the East Surrey SHMA, which was published in 2008¹⁹. The East Surrey SHMA covered Reigate and Banstead, Tandridge, Epsom, Elmbridge and Mole Valley. A further SHMA update was published in February 2012, although this focused only on Reigate and Banstead and did not reconsider the housing market area definition²⁰. This was accepted by the Inspector with the Core Strategy found sound and adopted in July 2014. The Core Strategy applies a constrained migration approach to establishing housing targets, reflecting environmental constraints.
- 5.13 The housing target takes account of the level of provision identified for the borough in the South East Plan²¹. Reference is also made to contributing towards meeting the unmet needs of other local authorities, including those within the wider East Surrey and North West Sussex housing market area.
- 5.14 From a Reigate and Banstead outlook, Sutton and Croydon have the closest relationship with the district in absolute movement terms, while Tandridge and Mole Valley have the largest relationships per 1,000 population. There are also some cross border linkages at the local level due to commuting and school catchments. For example, between Horley and Smallfield and Redhill and South Nutfield. There are no plans at present to review the SHMA or the HMA area applied.

Sevenoaks

- 5.15 Sevenoaks was covered by the West Kent SHMA²², which was published by DCA in December 2008. The scope of this assessment was based on a pre-defined grouping of Sevenoaks, Tonbridge and Malling and Tunbridge Wells, which was agreed by the Government Office for the South East. The study considered whether West Kent functions as a single sub-regional housing market, and looked to identify whether there was any overlap with other sub-regions. The SHMA concluded that it was appropriate to consider need across this geography, due to a containment of household moves and evidence of employment patterns.
- 5.16 The West Kent authorities were also covered by the Kent and Medway SHMA²³, which was published by DTZ in May 2010.
- 5.17 The Core Strategy was adopted in February 2011, and set a target for 165 dwellings per annum based on the targets in the South East Plan. There is a commitment to review the plan over the first five years to ensure consistency with the NPPF, and therefore a new SHMA is currently being prepared by GL Hearn (commissioned February 2015). Interim reports were submitted to the Council in June 2015. The HMA covers Sevenoaks, Tunbridge Wells and Tonbridge. Tonbridge is also being considered separately within the Tonbridge and Malling SHMA also being produced by GL Hearn.

Sutton

- 5.18 Though not a neighbouring authority, the analysis in the previous section has highlighted a spatial relationship between Tandridge and the London Borough of Sutton.

¹⁹ DCA (2008) East Surrey Strategic Housing Market Assessment

²⁰ DCA (2012) Reigate and Banstead Strategic Housing Market Assessment Update

²¹ Reigate and Banstead Borough Council (2014) Local Plan Core Strategy

²² DCA (2008) West Kent Strategic Housing Market Assessment

²³ DTZ (2010) Kent and Medway Strategic Housing Market Assessment

A SHMA for Sutton was published in May 2015²⁴, and reference is made to the London SHMA – and subsequent research by NLP²⁵ – in confirming that the London housing market is complex and large in scale, extending beyond the boundaries of Greater London. The study accepts that London operates within the wider London housing market, but also looked to identify specific local markets within which Sutton operates.

- 5.19 A range of spatial indicators are analysed, highlighting that Sutton is characterised by relatively low house prices – compared to surrounding areas – suggesting that house price differentials are a key driver of movement to the borough. There are significant commuting relationships with central London, while the strongest migration flows connect Sutton to Lambeth, Wandsworth, Merton, Epsom and Ewell, Croydon and Banstead. Only a limited relationship with Tandridge is therefore implied.
- 5.20 Sutton has also previously been covered by a sub-regional study which assessed needs across South West London – including Croydon, Merton, Kingston, Richmond, Wandsworth and Lambeth – with a report published in 2009²⁶.

Wealden

- 5.21 The Core Strategy Local Plan was adopted by Wealden District Council in November 2012, with housing targets set by the South East Plan. The South East Plan also identified two policy areas in Wealden, with evidence therefore prepared to cover two housing market areas in the district. The northern area of the district was considered to be influenced by the towns of Tunbridge Wells and East Grinstead, with the southern area forming part of a more integrated housing market area with Eastbourne. Two separate SHMAs were commissioned and published in 2007 on this basis.
- 5.22 This remains the latest published SHMA for the district, although the Council's evidence on housing land supply includes the latest position on objectively assessed needs²⁷. This considers needs at a district level based on official household projections, although it is noted that further work is being undertaken through the commissioning of a new SHMA.
- 5.23 This work is currently being undertaken by GVA, and includes consideration of the housing market area in the district. The emerging findings suggest that the district is not self-contained, with the housing market area extending into areas of some neighbouring authorities. Although Wealden does share a relationship with Tandridge, the evidence suggests that there are stronger links with elsewhere.
- 5.24 The consultants are currently preparing a draft report for discussion with other authorities through the Duty to Co-operate. The report will, however, only objectively assess the need for housing in Wealden, with an expectation that housing market area factors will be considered through subsequent discussions between authorities building upon their respective evidence bases. It is anticipated that this study will be finalised in autumn 2015, and published as part of the Issues and Options consultation on the Local Plan Review.

²⁴ GL Hearn (2015) Sutton Strategic Housing Market Assessment

²⁵ NLP (2014) London's Unmet Housing Needs – Meeting London's overspill across the wider South East

²⁶ Ecotec (2009) South West London Strategic Housing Market Assessment

²⁷ Wealden District Council (2014) Five Year Housing Land Supply as at 31st March 2014 and Objectively Assessed Housing Need

The London Plan

- 5.25 The London SHMA²⁸ forms part of the evidence base for the London Plan, and this considers the need for housing across Greater London. It is, however, acknowledged that the urban area of London extends beyond its boundary – with a substantial hinterland – although there is no universally accepted way of measuring a city's extent. London is particularly characterised by commuting and migration patterns, with commuting to central London common around the city's fringe.
- 5.26 The significant role of migration is highlighted in the SHMA:
- “London attracts large numbers of young people for work and education from the UK and the rest of the world. Analysis of the age characteristics of migration flows into London shows that they contain very high proportions of people aged twenty to thirty. In contrast, flows away from central London contain a much higher proportion of children and older people. This age structure reflects an established pattern of migration for London, where there is a tendency to move out to the suburbs or surrounding counties to raise families”*²⁹
- 5.27 Migration also forms an important component of future housing needs, with the central scenario – considered in the SHMA to be preferential in representing the most likely future – assuming that there will be an increase in outflows³⁰ from Greater London. This scenario forms the basis for the London Plan³¹, which sets a target for around 42,400 dwellings per annum. Given that this falls below the identified need for around 49,000 new homes annually in the London SHMA, this implies that there may be a level of unmet need arising in London, which may be displaced to areas with which there are established linkages.
- 5.28 The Draft Interim Housing Supplementary Planning Guidance³² (SPG) does, however, set out an aim to meet London's housing requirements within the Greater London boundary, particularly by optimising housing capacity on brownfield sites. A policy of increasing housing supply is therefore a key component in the SPG, with boroughs expected to identify and enable additional housing capacity through the preparation of their Local Plans. This will help to close the gap between the supply of and need for housing in London.

Summary of Neighbouring Authorities Position

- 5.29 The following table draws together the review undertaken above to summarise the evidence positions of authorities neighbouring Tandridge.

²⁸ GLA (2013) London Strategic Housing Market Assessment

²⁹ Ibid (para 3.5)

³⁰ After 2017, outflows are assumed to increase by 5% with inflows falling by 3%

³¹ Mayor of London (2015) The London Plan

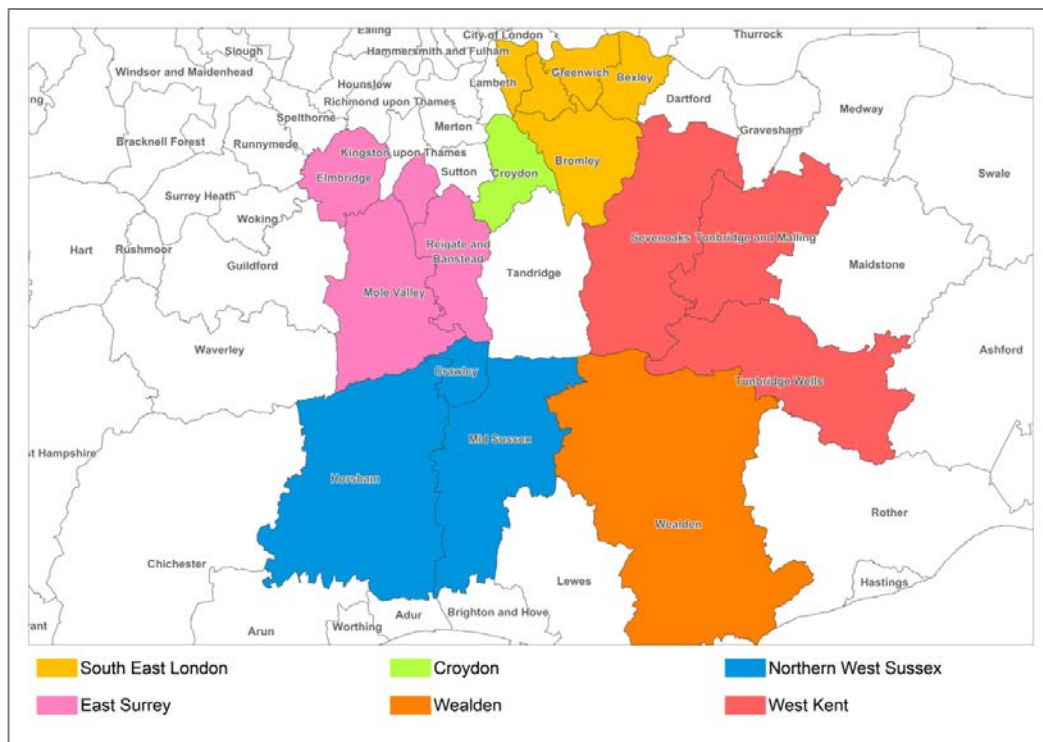
³² Mayor of London (2015) Draft Interim Housing Supplementary Planning Guidance

Figure 5.1: Review of Neighbouring Authorities' Evidence

Authority	Housing market area	Relationship with Tandridge
Bromley	South East London, with Bexley, Greenwich, Lewisham and Southwark. Latest SHMA published in June 2014	Limited relationship
Crawley	Northern West Sussex, with Horsham and Mid Sussex. Evidence published in 2009, 2010 and 2014	Linkages considered to be primarily economic, with M23 and Gatwick Airport forming a boundary to more rural areas of Tandridge
Croydon	Latest SHMA considers borough independently, while recognising links with elsewhere	Acknowledge linkages with Tandridge, although there are also links from the borough to other areas
Mid Sussex	Northern West Sussex, with Crawley and Horsham. Evidence published in 2009, 2010 and 2014	Moderate links with Tandridge, with Mid Sussex sharing stronger relationships with elsewhere
Reigate and Banstead	East Surrey, with Epsom, Elmbridge and Mole Valley. SHMA for whole HMA published in 2008, with local authority level update produced in 2012	Some cross-boundary moves at local level due to commuting and school catchments
Sevenoaks	The 2015 SHMA update will cover Sevenoaks, Tunbridge Wells and Tonbridge	Limited links with Tandridge due to primarily north-south movements
Sutton	Latest SHMA covers borough independently, but earlier evidenced prepared across South West London	Limited relationship
Wealden	Previous evidence suggests two housing market areas to north and south, although latest evidence is being prepared for local authority	Shares relationship with Tandridge, but has stronger links with elsewhere
GLA	Greater London, based on 2013 SHMA, although recognised that the urban area extends beyond this boundary	Acknowledged relationship with authorities at city fringe, particularly in terms of commuting and migration patterns

- 5.30 The following map shows the spatial definitions of the HMA geographies being used in comparable studies covering neighbouring areas. This clearly illustrates that Tandridge falls outside of evidence being prepared in surrounding areas, a number of which are being undertaken on a multi-authority basis.

Figure 5.2: Spatial Representation of Existing Evidenced HMAs in Neighbouring Authorities



Source; Turley, 2015³³

Other Research

- 5.31 The concept of housing market areas is not new. National research was published in 2010 by DCLG and the National Housing and Planning Advice Unit (NHPAU) to identify housing market area geographies across the country. This primarily academic project remains the only study of its kind, and sought to consider the best approach to dividing the country into non-overlapping housing market areas. This included consideration of commuting and migration trends from the 2001 Census – now superseded – as well as standardised house prices.
- 5.32 The research defined a two tier structure of strategic and local housing market area geographies, with the former built from an assumed 77.5% containment of commuting and the latter based on an assumed 50% self-containment of migration. It is important to note that neither of these thresholds reflect the PPG, which – as set out earlier in this report – suggests a 70% migration threshold. Given that they are also based on data from the 2001 Census which has now been superseded, only limited weight should be

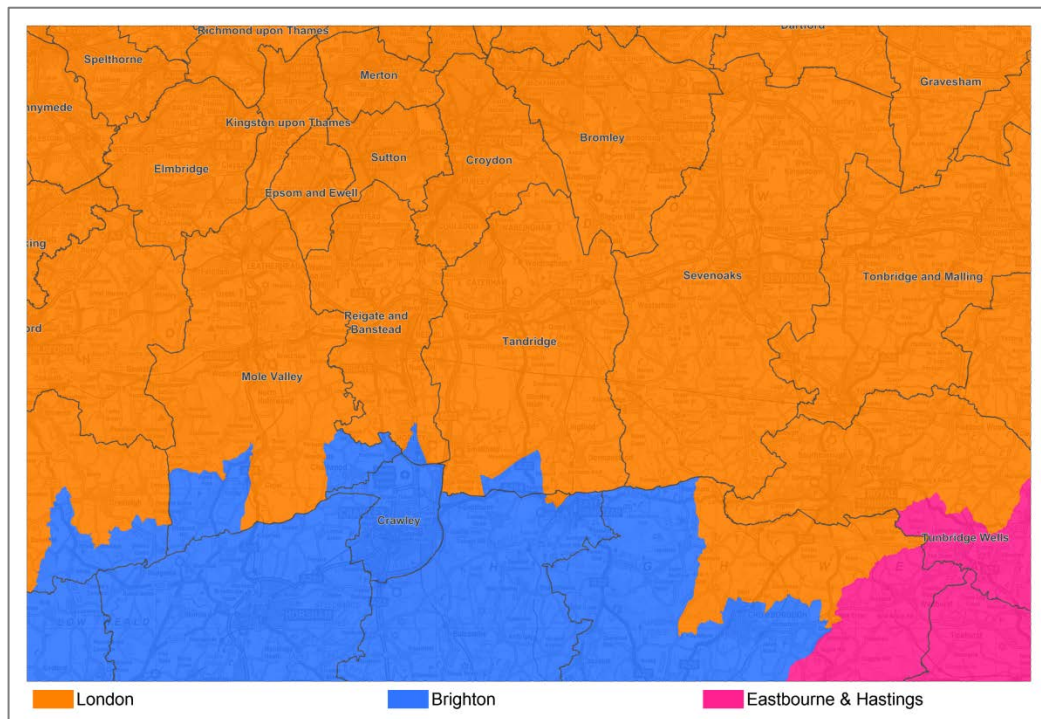
³³ Note: There are some intricacies not evident within the map such as a splitting out of Tonbridge and Malling into a Sevenoaks, Tunbridge Wells and Tonbridge SHMA as well as a Tonbridge and Malling SHMA. Regardless of this, Tandridge is not covered within any of the surrounding HMA definitions

given to these definitions. Nevertheless, they provide valuable historic context, and are considered in turn below.

Strategic Housing Market Areas

- 5.33 As the following plan shows, Tandridge is largely contained within the London strategic housing market area. This covers all London Boroughs as well as large parts of the surrounding counties of Essex, Kent, Surrey and Hertfordshire. Areas to the south – and indeed a small part of Tandridge – share a stronger relationship with Brighton, however.

Figure 5.3: NHPAU/DCLG Strategic Housing Market Areas



Source: DCLG/NHPAU, 2010

- 5.34 This definition clearly demonstrates the significant influencing role of London on surrounding areas. Identifying a geography of this scale, however, does present challenges in developing evidence and local planning policy, as noted within the accompanying report:

“The more fine-grained differentiation of multiple housing markets within a major urban area will also be missed – the latter is most obvious in London where much of Greater London is identified as a single Framework HMA. It is in such areas that an additional lower-tier geography can reflect more localised housing market conditions, and it is notable that it is in such areas that separate lower-tier HMAs are mostly identified...”

“While the Framework HMAs may provide a useful macro perspective for central government to plan for housing, they would be less appropriate in informing day to day planning decisions at the local authority level because housing behaviour as reflected from migration analysis is very localised and developers and house builders will respond

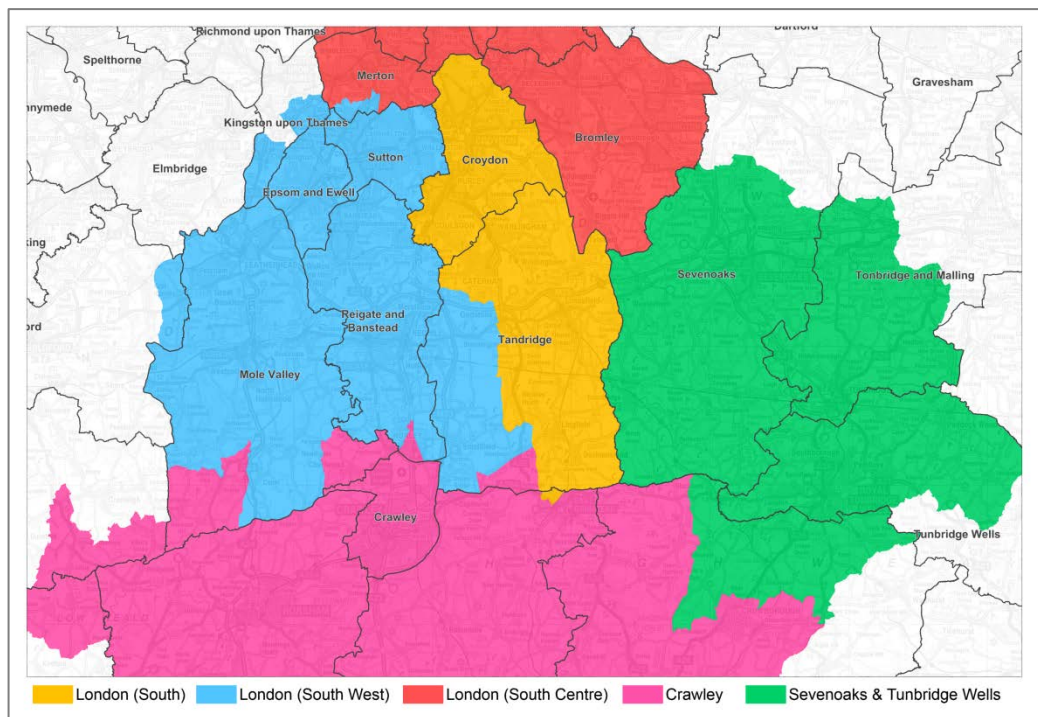
by providing different types of housing according to very sophisticated local and sub-market demands”³⁴

- 5.35 It is also important to note that this definition is based upon analysis of levels of commuting containment, using 2001 Census data. This is therefore inherently weighted by the economic role of London as a major place of employment, and does not necessarily reflect containment of migration nor changing commuting dynamics since 2001.

Local Housing Market Areas

- 5.36 Recognising the importance of more locally defined markets, the research presented a lower tier of market areas, with the following plan showing the spatial boundaries of these geographies.

Figure 5.4: NHPAU/DCLG Local Housing Market Areas



Source: DCLG/NHPAU, 2010

- 5.37 This definition provides a more fragmented view of housing market areas, with much of Tandridge considered to fall within the same London (South) housing market as Croydon. There is, however, also a relationship with the London (South West) market – which covers Reigate and Banstead in its entirety – and a limited relationship with the Crawley housing market to the south. There is no Sevenoaks and Tunbridge Wells and London (South Centre) housing markets, however.
- 5.38 The application of this definition does, though, result in a number of local housing markets which cross local authority boundaries. This evidently presents a challenge in

³⁴ Jones, Coombes and Wong (2010) Geography of Housing Market Areas in England – Summary Report (p26)

the generation of policy and the analysis of data, particularly where authorities are sub-divided between different areas.

- 5.39 It is also important to acknowledge that the DCLG research drew upon 2001 Census data which has now been – at least partially – updated through the release of 2011 Census data. These more recent datasets are considered in section 2 of this report, and should be considered to carry more weight given that they represent an up-to-date evidenced position. It should also be noted that the research approach of DCLG – and the migration thresholds applied in defining local markets – differs from the guidance now in place through the PPG.

Summary and Implications

- 5.40 Evidence from neighbouring authorities demonstrates that while Tandridge does exhibit housing market relationships with other areas it does not have the strongest links for surrounding authorities and is therefore not included in their defined HMAs.
- 5.41 Several authorities are using an old, pre-NPPF definition of their HMA; often a legacy of the South East Plan. A number have more recently taken a stand-alone approach in which the authority is used as the main area of analysis but where evidence from the wider HMA is considered in drawing up the SHMA for the authority.
- 5.42 Neighbouring authorities are at varying stages in terms of the production of their SHMA evidence, with some, such as Croydon and Sevenoaks, recently embarking on an update, and others, such as Crawley and Mid Sussex updating previous studies. It is clear that there are no opportunities at the current point in time for Tandridge to work directly with neighbouring authorities to prepare a new and joint SHMA. Opportunities to prepare a joint assessment were explored by the Council, through an approach to all neighbouring authorities which did not identify any potential partners³⁵.
- 5.43 Wider NHPAU research, taking a top down approach based on definitions and self-containment of commuting and migration not formally accepted under NPPF and using old Census data, presents Tandridge's links as being with Croydon as well as to the west into an area termed London (South West) which includes Reigate and Banstead, Sutton, Epsom and Ewell and Mole Valley as well as part of Kingston upon Thames.

³⁵ It is understood from the Council that only Sevenoaks expressed an interest in preparing joint evidence as part of this exercise. It was acknowledged that the evidence was unlikely to show strong links between the two authorities in isolation meaning that the rationale for a joint study covering just the two authorities was comparatively limited.

6. Conclusions

- 6.1 This Technical Paper reviews the recommended indicators for considering and identifying a HMA for Tandridge. The purpose of this is to feed into the preparation of the Strategic Housing Market Assessment for the authority. The assessment has taken account of government guidance set out in the NPPF and PPG, key indicators using national data sets and external research into identified HMAs in the surrounding area.

Reviewing the Evidence

- 6.2 The assessment of available evidence indicates a range of relationships with surrounding authorities and wards, depending upon the specific indicators in question. The table below provides a summary of the evidence for each of the indicators, namely; migration, house prices, urban form and commuting. At a local authority level, linkages and areas of commonality are evident primarily with Croydon and Reigate and Banstead, with strong relationships also apparent with Mid Sussex and Sevenoaks.

Figure 6.1: Summary of Indicators

Indicator	Implications	Implied relationships
Migration	Low containment of moves – even when grouping Tandridge with other authorities – suggests operation of a much larger housing market area, presenting challenges for plan-making. Large net flow from London boroughs – particularly Croydon and Sutton – with net flow from Tandridge to other authorities including Reigate and Banstead and Mid Sussex.	Croydon (and Greater London), Reigate and Banstead, Mid Sussex, Sevenoaks
House prices	Different price levels within Tandridge, with some commonality and overlap with surrounding areas. District saw slower growth in values prior to the recession – albeit from a higher base – but house prices have recovered strongly since the recession. Tandridge is relatively less affordable than surrounding authorities when taking earnings into account.	Local level commonality with adjoining areas of neighbouring authorities. No distinct evidence regarding strategic relationships.
Urban form	The settlement geography of Tandridge provides an important indication as to the low levels of containment at an authority level. Settlement geographies in the north of the district essentially represent an extension out of the Greater London urban area. The main settlement of Oxted and the other two larger settlements of Lingfield and Smallfield are set in the context of rural Green Belt and therefore represent distinct settlement forms. At a more strategic level the radial nature of Green	Relationship with Greater London authorities defined by settlement geographies to the north. The other larger settlements in the authority are washed over by Green Belt and from part of the

Indicator	Implications	Implied relationships
	Belt results in broadly continuous rural area across several local authorities, resulting in some commonality throughout this rural area	London radial Green Belt area reinforcing spatial commonalities with settlements in Reigate and Banstead, Sevenoaks and other London Green Belt authorities
Commuting	High proportion of residents commute out of Tandridge for work, with around 40% commuting to Greater London (including Croydon) and circa 11% commuting to Reigate and Banstead. Relatively high proportion of jobs in Tandridge are also taken by residents from other authorities, most notably Croydon, Reigate and Banstead and Mid Sussex.	Reigate and Banstead, Croydon (and Greater London), Mid Sussex

Source: Turley, 2015

- 6.3 On a more local scale, where data permits a finer grain of analysis, it is evident that different locations within Tandridge have relationships with different lower geographical level locations elsewhere. For example, house prices indicate a greater relationship between the north east of Tandridge with parts of Bromely and Sevenoaks than elsewhere in Tandridge.
- 6.4 The HMA of Tandridge is therefore by no means clear cut but the evidence strongly suggests that the district does not operate as its own HMA. Tandridge has HMA relationships with Croydon, Reigate and Banstead and Mid Sussex as well as some links with Sutton, Sevenoaks and Crawley.

Considering Neighbouring Areas

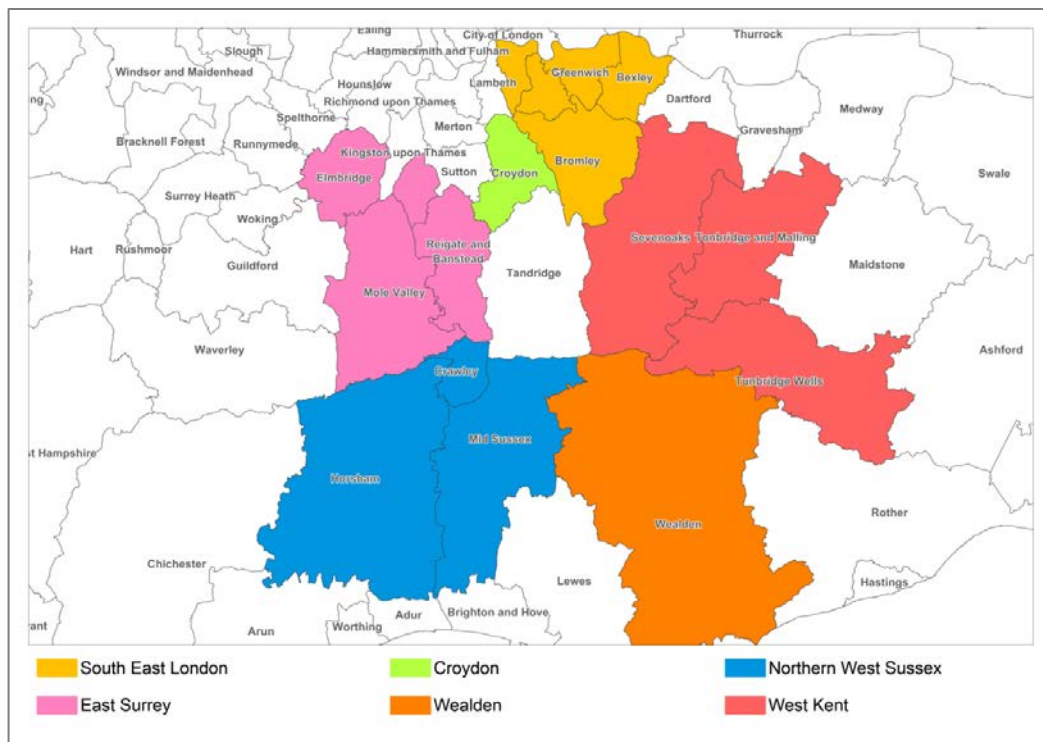
- 6.5 A review has been undertaken of the HMA and SHMA position of the seven authorities neighbouring Tandridge, as well as the Greater London position. This has identified that Tandridge is not specifically identified as falling within the HMA geographies of any of these separate evidence based reports.
- 6.6 There is a recurring position within these evidence base documents that whilst market linkages are identified with Tandridge these linkages are weaker than with other neighbouring authorities. As the evidence within this report has shown this is a result of Tandridge having connections with a number of areas, including those beyond immediate neighbouring boundaries, resulting in the strength of these relationships being diluted.

Figure 6.2: Review of Neighbouring Authorities' Evidence

Authority	Defined Housing Market Area	Relationship with Tandridge
Bromley	South East London, with Bexley, Greenwich, Lewisham and Southwark. Latest SHMA published in June 2014	Limited relationship
Crawley	Northern West Sussex, with Horsham and Mid Sussex. Evidence published in 2009, 2010 and 2014	Linkages considered to be primarily economic, with M23 and Gatwick Airport forming a boundary to more rural areas of Tandridge
Croydon	Latest SHMA considers borough independently, while recognising links with elsewhere	Acknowledge linkages with Tandridge, although there are also links from the borough to other areas
Mid Sussex	Northern West Sussex, with Crawley and Horsham. Evidence published in 2009, 2010 and 2014	Moderate links with Tandridge, with Mid Sussex sharing stronger relationships with elsewhere
Reigate and Banstead	East Surrey, with Epsom, Elmbridge and Mole Valley. SHMA for whole HMA published in 2008, with local authority level update produced in 2012	Some cross-boundary moves at local level due to commuting and school catchments
Sevenoaks	The 2015 SHMA update will cover Sevenoaks, Tunbridge Wells and Tonbridge	Limited links with Tandridge due to primarily north-south movements
Sutton	Latest SHMA covers borough independently, but earlier evidenced prepared across South West London	Limited relationship
Wealden	Previous evidence suggests two housing market areas to north and south, although latest evidence is being prepared for local authority	Shares relationship with Tandridge, but has stronger links with elsewhere
GLA	Greater London, based on 2013 SHMA, although recognised that the urban area extends beyond this boundary	Acknowledged relationship with authorities at city fringe, particularly in terms of commuting and migration patterns

- 6.7 The following map shows the spatial definitions of the HMA geographies being used in comparable studies covering neighbouring areas. This further reinforces the fact that Tandridge falls outside of evidence being prepared in surrounding areas, a number of which are being undertaken on a multi-authority basis.

Figure 6.3: Spatial Representation of Existing Evidenced HMAs in Neighbouring Authorities



Source; Turley, 2015³⁶

- 6.8 In addition to recognising that Tandridge has not been identified as specifically falling within a HMA defined by other surrounding authorities it is also important to recognise that the SHMA evidence in areas with which Tandridge has some form of housing market linkage have been undertaken to different timetables. The neighbouring authorities either have their HMA and SHMA work in place or are already engaged in an update. It is therefore not practical at the current point in time for Tandridge to work on a joint SHMA with neighbouring locations without delaying their own programme of Plan development. This gives cause to revisit the PPG:

“Where Local Plans are at different stages of production, local planning authorities can build upon the existing evidence base of partner local authorities in their housing market area but should co-ordinate future housing reviews so they take place at the same time”³⁷

³⁶ Note: There are some intricacies not evident within the map such as a splitting out of Tonbridge and Malling into a Sevenoaks, Tonbridge Wells and Tonbridge SHMA as well as a Tonbridge and Malling SHMA. Regardless of this, Tandridge is not covered within any of the surrounding HMA definitions

³⁷ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/#paragraph_007 (Reference 2a-007-20150320)

- 6.9 In recognition of the above and an acknowledgement that the evidence does not suggest that the district can itself be viewed as PPG defined HMA geography Tandridge will need to continue to work with relevant planning authorities to share and understand existing and emerging evidence in establishing implications for housing in the HMA.

Recommendations

- 6.10 The evidence indicates that Tandridge has important housing market relationships with Croydon, Reigate and Banstead and Mid Sussex in particular. The analysis identifies relationships with a number of other authorities, primarily Sutton, Sevenoaks and Crawley. While Tandridge is not identified as a standalone HMA through the evidence reviewed, given the existing and ongoing HMA evidence bases in neighbouring areas it will not be possible to produce a joint SHMA. Tandridge will therefore require its own SHMA, although – given the relationships highlighted in this report – there will need to be an alignment with both the East Surrey and Northern West Sussex SHMAs in particular.
- 6.11 This assessment will need to draw on the evidence produced in other areas and take these into account in establishing an objective assessment of need for the district. There will need to be a particular focus on Croydon, Reigate and Banstead and Mid Sussex, with consideration also given to relationships with Sutton, Sevenoaks and Crawley.
- 6.12 In doing so, it will be important for Tandridge District Council to record any correspondence with neighbouring authorities. This will be important in evidencing any Duty to Cooperate actions at the time of the Examination in Public:

“The duty to cooperate is not a duty to agree. But local planning authorities should make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination.

Local planning authorities must demonstrate how they have complied with the duty at the independent examination of their Local Plans. If a local planning authority cannot demonstrate that it has complied with the duty then the Local Plan will not be able to proceed further in examination.

Local planning authorities will need to satisfy themselves about whether they have complied with the duty. As part of their consideration, local planning authorities will need to bear in mind that the cooperation should produce effective and deliverable policies on strategic cross boundary matters”³⁸.

- 6.13 While London operates within the strategic guidance of the Mayor and GLA, there is also the prerequisite for London boroughs to work with their non-London neighbours to ensure housing needs are met:

³⁸ <http://planningguidance.planningportal.gov.uk/blog/guidance/duty-to-cooperate/what-is-the-duty-to-cooperate-and-what-does-it-require/> (Paragraph: 001 Reference ID: 9-001-20140306)

“Cooperation between the Mayor, boroughs and local planning authorities bordering London will be vital to ensure that important strategic issues, such as housing delivery and economic growth, are planned effectively”³⁹.

- 6.14 To conclude, evidence points towards Tandridge being a functional component of a HMA including Croydon, Reigate and Banstead and Mid Sussex. However, given timeframes it will be necessary for Tandridge District Council to carry out a stand-alone SHMA which draws on evidence from those authorities with the greatest functional relationships.

³⁹ <http://planningguidance.planningportal.gov.uk/blog/guidance/duty-to-cooperate/what-is-the-duty-to-cooperate-and-what-does-it-require/> (Paragraph: 007 Reference ID: 9-007-20140306)

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